

montgomeryadvertiser.com**Montgomery Advertiser**

This is a printer friendly version of an article from the **The Montgomery Advertiser**
To print this article open the file menu and choose Print.

[◀ Back](#)

Folsom recalls 1993 Mercedes plant deal

By Jamie Kizzire

May 13, 2007

When a German company picked Alabama early Friday for a major industrial project expected to transform the state, it was a bit of déjà vu for Lt. Gov. Jim Folsom Jr.

Folsom was governor in 1993 when he successfully led the effort to land the Mercedes-Benz factory in Vance.

He sees the similarities with 1993 when the state landed the Mercedes factory, which was lauded as a project that would change the economic face of the state. He believes another transformation could be coming with ThyssenKrupp's plan to build a \$3.7 billion steel mill in Mobile employing 2,700 people.

But Folsom also sees the differences.

When Alabama offered a quarter-of-a-billion dollars incentive package to Mercedes, critics said the state was giving away too much in "corporate welfare." That's no longer the case with these type of projects, thanks to the success of the Mercedes-Benz factory, he said.

"It was a different era when Mercedes announced, because it was something brand new to a state not accustomed to offering huge incentives to locate huge international companies," Folsom said after the company's announcement Friday. "But over the last 13 years, everyone recognizes that's merely an investment that paid off many, many times over."

For Folsom that's two more automakers setting up shop in the state, their suppliers and, of course, the jobs.

There are also plans for this steel plant to sell much of its product to the auto industry.

So, there was little, if any, outcry when the Legislature passed a \$400 million incentive package aimed at ThyssenKrupp and some other projects earlier this year.

It still has to be approved by voters, but most lawmakers are looking at it as a foregone conclusion it will be approved. The Legislature also approved a package of tax breaks ranging from 10 to 30 years in duration.

"The people of the state of Alabama, they look upon it now as an investment opportunity, not so much, as some called it back then, as 'corporate welfare,'" Folsom said.

Ever seen \$1M in cash?

Inflation may mean that even \$1 million doesn't go as far as it used to, but it's still not "walking-around money."

Just ask Tuscaloosa businessman Stan Pate.

Pate held a news conference last week where he lobbied for a bill that would fund Medicare. He withdrew \$1 million of his own money and put into two suitcases to demonstrate the cash-infusion the bill would bring.

Pate said it took three weeks to work out the details of the unwieldy cash withdrawal from a Birmingham bank. He decided to transport the money to Montgomery himself instead of paying a company to deliver the two clear plastic bags filled with tightly wrapped stacks of cash. But he hired a security team to keep an eye on the money during the news conference, although they were nice enough to let a television cameraman touch the bag filled with \$800,000.

Pate planned to show off the money at a second news conference in another city, which meant he might have missed the chance to get the money back in the bank by the end of the day.

However, he didn't seem worried about where to keep the money in the meantime.

"It will be in a safe place tonight," he said.

Jamie Kizzire covers Alabama politics and government. Readers can contact him at 334-240-0117 or send e-mail to jkizzire@gannett.com.
